



MEMORANDUM

DATE: MARCH 26, 2015

TO: MAYOR AND COUNCIL

THRU: RICH DLUGAS, CITY MANAGER
DEBRA STAPLETON, HUMAN RESOURCES DIRECTOR *ds*

FROM: RAE LYNN NIELSEN, BENEFITS AND LABOR RELATIONS ADMINISTRATOR *lyn*

SUBJECT: APPROVAL FOR A TRANSFER OF WORKERS' COMPENSATION FUND NON-DEPARTMENTAL CONTINGENCY TO THE HUMAN RESOURCES WORKERS' COMPENSATION LIABILITY COST CENTER IN THE AMOUNT OF \$300,000 FOR EXPENDITURES RELATED TO WORKERS' COMPENSATION CLAIMS

RECOMMENDATION

Staff recommends that the Chandler City Council approve a transfer of Workers' Compensation Non-Departmental contingency to the Human Resources Workers' Compensation Liability cost center in the amount of \$300,000 for expenditures related to Workers' Compensation claims.

BACKGROUND

The City of Chandler Workers' Compensation Fund is responsible for paying claims resulting from job related injuries. The annual budget for claims expenditures is \$1,500,000 but claims expenses are more than \$1,400,000 as of mid-February. Contingency funds in the amount of \$500,000 are budgeted in the Non-Departmental cost center each year for Workers' Compensation claims, but, per the annual Budget Resolution, Council approval is required to move the appropriation from contingency to the operating budget.

FINANCIAL IMPLICATIONS

As a result of the higher than anticipated claims, Council approval is needed to transfer \$300,000 from the Workers' Compensation Non-Departmental Cost Center, Contingency account (736.1290.5911) to the Human Resources Workers' Compensation Liability Cost Center, Claims account (736.1251.5611) for payment of claims to City of Chandler employees.

PROPOSED MOTION

Move to approve a transfer of Workers' Compensation Fund Non-Departmental contingency to the Human Resources Workers' Compensation Liability cost center in the amount of \$300,000 for expenditures related to Workers' Compensation claims.